(a) whether it is a fact that traders have launched nation-wide stir to protest against the service tax imposed by the Centre;

(b) if so, the details thereof;

(c) whether the traders all over the country are miffed with Government's decision; and

(d) the steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir.

(c) Traders have been protesting against the shifting of liability of payment of service tax in certain situations, from Service Provider to the Service Receiver, in case of Goods Transport Agency Services.

(d) A Committee comprising representatives of department, transport agencies and traders had been constituted to look into the matter and suggest remedial measures.

Raise in gratuity limit

2219. SHRI NANA DESHMUKH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have considered any proposal to raise the gratuity limit consequent upon the merger of D.A. for Central Government employees;

(b) if so, the outcome thereof;

(c) whether it is a fact that in similar circumstances in the past, Government had correspondingly raised gratuity limits without any reference to Pay body; and

(d) if so, the action proposed by Government in the matter this time

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Question does not arise.

(c) Yes, Sir

(d) No action is necessary because, unlike in the past, Dearness Allowance also is counted as emoluments for purposes of computation of Gratuity.

Excise exemption on Pharma Industries

2220. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) the specific areas in the country where complete/partial excise exemption on the pharma industries is pledged till 2017;

(b) What would be the projected shortfall in excise revenue per State, year-wise in the coming years;

(c) whether such exemption of excise concession is for the job work done and the effect on the prices of medicines to the consumer; and

(d) if so, how does Government ensure level playing field to industries in other parts of the country, where huge investments have been made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Areas based excise duty exemptions are applicable to specified category of units located in the North Eastern States, Jammu & Kashmir, Uttaranchal, Himachal Pradesh, Kutch district of Gujarat and Sikkim. Such exemptions are applicable to units manufacturing pharmaceutical products also. In case of Uttaranchal and Himachal Pradesh, exemption is available for a period of ten years from the date of commencement of commercial production and provided such commencement is on or before 31.3.2007.

(b) State-wise and year-wise shortfall in excise revenue collection in coming years, due to area-based exemptions, have not been projected.

(c) Any unit manufacturing pharma products is eligible to claim exemption under such area-based exemptions. The prices to consumers, depends on a variety of factors such as supply and demand position, cost of manufacture.

(d) Area based exemptions from excise duty is in the nature of fiscal incentive to encourage industrial development of such areas.